

TELEGRAM**Foreign Service of the
United States of America**

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INCOMING AMERICAN EMBASSY TOKYO

ACTION

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TO AMEMBASSY TOKYO IMMEDIATE 8678

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UNCLAS SECTION 1 OF 2 STATE 263237/1

TOSEC 635

E.O. 11652: N/A

TAGS: OVIP (KISSINGER)

SUBJECT: PRESS MATERIAL

CONTROL:

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Press

1. HERewith FULL TEXT ROBERT KEATLEY OP-ED COLUMN, FRIDAY, NOVEMBER 29, WALL STREET JOURNAL, HEADED "KISSINGER SAYS PEKING TALKS HAVE AIDED NORMALIZATION OF RELATIONS WITH CHINA."

2. PEKING--HENRY KISSINGER LEAVES CHINA TODAY APPARENTLY SATISFIED THAT RELATIONS WITH PEKING ARE GOOD ENOUGH AT PRESENT AND GETTING BETTER.

3. AFTER FOUR DAYS OF TALKS WITH SENIOR OFFICIALS, THE SECRETARY OF STATE SAID CONTINUED--IF UNDRAMATIC--PROGRESS TOWARD NORMALIZATION OF RELATIONS HAS BEEN ACHIEVED.

4. DESPITE GROWING EXCHANGES IN MANY FIELDS, THE TWO COUNTRIES DON'T HAVE OFFICIAL DIPLOMATIC TIES, THE U.S. STILL RECOGNIZES THE RIVAL NATIONALIST REGIME ON TAIWAN. YET THERE ISN'T ANY PRETENSE ABOUT WHICH IS THE REAL CHINA.

5. DISCUSSIONS HERE DURING MR. KISSINGER'S SEVENTH VISIT "INCREASED OUR MUTUAL UNDERSTANDING AND DEEPEDED OUR COMPREHENSION OF OUR COMMON POINTS," FOREIGN MINISTER CHIAO KUAN-HUA SAID IN A BANQUET TOAST LAST NIGHT.

6. THOUGH NOTHING OFFICIAL WILL BE ANNOUNCED SOON; AMERICAN SOURCES INDICATED MUCH HEADWAY ON ONE IMPORTANT ITEM WAS ACCOMPLISHED THIS WEEK. THAT IS THE MATTER OF RESOLVING PRIVATE AMERICAN CLAIMS FOR PROPERTY SEIZED IN CHINA WHEN THE COMMUNISTS TOOK POWER IN 1949, PLUS RELEASING CHINESE ASSETS IN THE U.S. BLOCKED DURING THE KOREAN WAR.

7. THERE ARE ABOUT \$200 MILLION OF U.S. CLAIMS AND \$80 MILLION OF CHINESE ASSETS INVOLVED. U.S. SOURCES INDICATED STRONGLY THAT THE MATTER HAS BEEN RESOLVED TO THE TWO GOVERNMENTS' SATISFACTION BUT SAID NOTHING CAN BE ANNOUNCED UNTIL SOME COMPLEX LEGAL QUESTIONS IN THE U.S. ARE SETTLED.

8. RESOLUTION WOULD HAVE A PRACTICAL IMPACT ON SINO-AMERICAN RELATIONS. IT WOULD HELP MAKE CHINA ELIGIBLE FOR MOST-FAVORED-NATION TARIFF TREATMENT AND U.S. GOVERNMENT CREDITS. IT ALSO WOULD LET CHINESE SHIPS AND PLANES CALL IN THE U.S. WITH LESS RISK. WHILE THE CLAIMS ISSUE IS PENDING, ANY AIRCRAFT OR SHIP ENTERING U.S. TERRITORY IS SUBJECT TO IMPOUNDMENT BY THOSE WITH CLAIMS OUTSTANDING. THERE HAVE BEEN INDICATIONS FROM CHINESE OFFICIALS THAT THEY WOULD LIKE TO EXTEND A PEKING-OTTAWA AIRLINE ROUTE TO NEW YORK.

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9. THE FINAL SETTLEMENT COULD WELL BE A SIMPLE TRADE-OFF OF CLAIMS AGAINST BLOCKED ASSETS, GIVING U.S. CITIZENS AND CORPORATIONS ABOUT 43 CENTS ON THE DOLLAR. THE LARGEST CLAIM HAS BEEN FILED BY BOISE CASCADE CORP., THE SUCCESSOR COMPANY TO THE FORMER OWNER OF A SHANGHAI ELECTRIC UTILITY.

10. HOWEVER, THE SUBJECT WASN'T MENTIONED IN BANQUET TOASTS LAST NIGHT AND WON'T BE INCLUDED IN A SHORT COMMUNIQUE THE TWO SIDES ARE EXPECTED TO ISSUE TODAY OR TOMMOROW.

11. MR. KISSINGER COMPLETES HIS CHINA VISIT BY SPENDING TODAY ON TOUR IN SOOCHOW, A SCENIC CITY OF GARDENS AND PAVILIONS THAT WERE HOMES AND RESORTS FOR WEALTHY CHINESE. HE THEN FLIES TO TOKYO AND WILL RETURN HOME TOMORROW AFTER BRIEFING JAPANESE LEADERS ABOUT HIS CHINA TALKS.

12. A COUPLE OF WIDELY EXPECTED THINGS DIDN'T HAPPEN DURING HIS VISIT.

13. SO FAR, MR. KISSINGER HASN'T MET CHAIRMAN MAO TSE-TUNG AND APPARENTLY WON'T. THE COMMUNIST PARTY LEADER, THE VENERABLE IDEOLOGUE WHO ORIGINATES MOST POLICY DEPARTURES, HAS MET SEVERAL RANKING VISITORS LATELY--SUCH AS ASSORTED AFRICAN LEADERS--BUT HASN'T FOUND TIME TO GIVE THE SECRETARY AN AUDIENCE. THIS COULD BE MORE FOR HEALTH THAN POLITICAL REASONS. IT'S BELIEVED THE CHAIRMAN, NEARLY 81 YEARS OLD, ISN'T ALWAYS WELL ENOUGH TO SEE CALLERS.

14. THE OTHER MATTER IS TAIWAN. ACCORDING TO U.S. OFFICIALS, CHINESE LEADERS DIDN'T PRESS HARD FOR AN END TO AMERICAN RECOGNITION OF THE CHIANG KAI-SHEK GOVERNMENT OR FOR OTHER MOVES THAT MIGHT HELP THE MAINLAND GET CONTROL THERE. PEKING CONSIDERS THE ISLAND A PROVINCE OF CHINA.

QTM PRESSURE FOR U.S. ACTION, SUCH AS TOTAL WITHDRAWAL OF AMERICAN FORCES OR CANCELLATION OF THE DEFENSE TREATY WITH TAIWAN, COULD HAVE GIVEN WASHINGTON A SERIOUS PROBLEM. THAT DIDN'T HAPPEN THOUGH, AND THE TAIWAN ISSUE REMAINS UNCHANGED AND UNRESOLVED.

16. THOUGH NOTHING NEGATIVE OCCURRED HERE THIS WEEK, THERE SEEMS TO HAVE BEEN FEW MAJOR POSITIVE DEVELOPMENTS. OTHER THAN THE PROPERTY ISSUE, THERE WASN'T ANY GREAT MOMENTUM ADDED TO THE SINO-AMERICAN RELATIONSHIP, AND THERE WASN'T ANY SIGN OF MAJOR INCREASES IN EXCHANGES OR POLITICAL COOPERATION. RATHER, THE RELATIONSHIP APPAR-

ENTLY WILL CONTINUE SOMEWHAT RESTRAINED, THOUGH SATISFACTORY TO BOTH. IT HELPS EACH DEAL WITH ITS MAIN ADVERSARY, THE SOVIET UNION, AND DOESN'T COMMIT EITHER TO NEW MOVES THAT MIGHT PROVE EMBARRASSING LATER.

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17. IT'S BELIEVED DIFFICULT FOR CHINA, IN PARTICULAR, TO DO MUCH. MAJOR DOMESTIC POLITICAL PROBLEMS REMAIN UNSOLVED, MAKING OFFICIALS HERE VIEW ANY POLICY DEPARTURES WITH CAUTION.

18. THE THANKSGIVING NIGHT BANQUET AT THE GREAT HALL OF THE PEOPLE WAS HOSTED BY THE AMERICANS. ALTHOUGH MR. KISSINGER THREATENED A MENU OF SWEET-AND-SOUR TURKEY, HE SETTLED FOR MORE CONVENTIONAL CHINESE DISHES. RATHER THAN THE TRADITIONAL AMERICAN BIRD, THE U.S. DELEGATION ORDERED AN EIGHT-COURSE MEAL, INCLUDING SUCH ITEMS AS FRIED PRAWN PARCELS, FOUR VEGETARIAN TREASURES AND MOON CAKES. (END TEXT) INGER SOLL

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